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City of Las Cruces[®]
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Council Action and Executive Summary

Item # 10

Ordinance/Resolution# 12-145

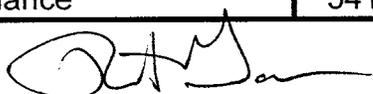
For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of February 21, 2012
 (Adoption Date)

TITLE: A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND SERIES 2003 BOND REFUNDING PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY (NMFA).

PURPOSE(S) OF ACTION:

The proposed action will allow the City to refund the Series 2003 Gross Receipts Tax Refunding and Improvement Revenue Bonds and create significant interest savings.

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Robert Scaling	<u>Department/Section:</u> Finance	<u>Phone:</u> 541-2035
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The Series 2003 Gross Receipts Tax Refunding and Improvement Revenue Bonds are callable on June 1, 2012. Current market conditions will allow the City to refund these bonds and create present value savings of approximately \$117,000 over the remaining six year life of the debt.

SUPPORT INFORMATION:

1. Resolution.
2. NMFA Public Project Revolving Fund Infrastructure Application.

(Continue on additional sheets as required)

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input type="checkbox"/>	See Budget Narrative below
	No	<input checked="" type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

The proposed action will create budget savings of approximately \$117,000 over the remaining six years of the life of the debt. At the closing of the transaction in April, 2012, the appropriate budgets will be adjusted by actual amounts of savings.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will enable City staff to submit the refunding application to NMFA.
2. Vote "No"; this will deny City staff the opportunity to submit the refunding application to NMFA and realize the interest savings opportunity.
3. Vote to "Amend"; this could require staff to explore other financing options not currently recommended by the City's financial advisor.
4. Vote to "Table"; this could delay this financing opportunity and reduce the projected interest savings.

REFERENCE INFORMATION:

N/A

RESOLUTION NO. 12-145**A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND SERIES 2003 BOND REFUNDING PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY (NMFA).**

The City Council is informed that:

WHEREAS, the City of Las Cruces ("Governmental Unit") is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 ("Act"), and the City of Las Cruces Council ("Governing Body") is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority ("Authority") has instituted a program for financing of projects from the public project revolving fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application ("Application") for financial assistance from the Authority for public projects; and

WHEREAS, the Governing Body intends refund the Governmental Unit's outstanding State Shared Gross Receipts Tax Bonds, Series 2003 ("Project") for the benefit of the Governmental Unit and its citizens; and

WHEREAS, the application prescribed by the Authority has been completed and submitted to the Governing Body and this resolution approving submission of the completed Application to the Authority for its consideration and review is required as part of the Application.

NOW THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT all action (not consistent with the provision hereof) heretofore taken by the Governing Body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.

(II)

THAT the completed Application submitted to the Governing Body, be and the same is hereby approved and confirmed.

(III)

THAT the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.

(IV)

THAT all acts and resolutions in conflict with this resolution are hereby rescinded, annulled and repealed.

(V)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 21st day of February, 2012.

APPROVED

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

Mayor Miyagishima _____

Councillor Silva _____

Councillor Smith _____

Councillor Pedroza _____

Councillor Small _____

Councillor Sorg _____

Councillor Thomas _____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

Ray A. (Lub) Connolly

City Attorney



NMFA Use Only:	
App. #:	-PP
FA assigned:	
Legislative Authorization	

**PUBLIC PROJECT REVOLVING FUND
INFRASTRUCTURE APPLICATION**

I. GENERAL INFORMATION

A. APPLICANT/ENTITY

		Application Date:		1/27/2012	
Applicant/Entity:		City of Las Cruces			
Address:		P.O. Box 20000, Las Cruces NM 88004-9002			
County		Dona Ana		Census Tract:	
Federal Employer Identification Number (EIN) as issued by the IRS:					
Legislative District:		Senate:		House:	
Phone:	575-541-2039	Fax:	575-541-2039	Email Address:	rscaling@las-cruces.org
Individual Completing Application:		Erik Harrigan			
Address:		6301 Uptown Blvd. NE Suite 110 Albuquerque NM 87110			
Phone:	505-872-5992	Fax:	505-872-5979	Email Address:	Erik.harrigan@rbccm.com

B. CONSULTING PROFESSIONALS (Financial Advisor/Bond/Legal Counsel, Architect, Engineer, etc.), if available:

Firm:		RBC Capital Markets, LLC			
Contact:		Kevin Powers			
Address:		6301 Uptown Blvd. NE, Ste. 110, Albuquerque, NM 87110			
Phone:	505-872-5993	Fax:	(505) 872-5979	Email Address:	kevin.f.powers@rbccm.com

C. BOND COUSNSEL PRIMARY CONTACT PERSON:

Name:		Duane Brown			
Contact:		Modrall Law Firm			
Address:		P.O. Box 2168, Albuquerque, NM 87103			
Phone:	505-848-1807	Fax:	505-848-9710	Email Address:	duanebrown@modrall.com

II. PROJECT SUMMARY

A. Project Description. Complete the following information, using additional paper if necessary. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

Description of the project. Refund the City's Series 2003 Gross Receipts Tax Improvement Revenue Bonds

1.

2. Proposed Project Start Date: N/A Proposed Project Completion Date: N/A
 When do you need NMFA funds available? April 2012

3. How will the ongoing maintenance, operation, and replacement of this project be funded? By the City of Las Cruces

4. Provide a detailed drawdown schedule for project payments. The schedule may reflect monthly or quarterly payments. N/A

B. Total Project Cost & Sources of Funds Detail.

Construction Activities	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Planning and Design	\$	\$	\$	\$ 0.00
Construction	\$	\$	\$	\$ 0.00
Equipment	\$	\$	\$	\$ 0.00
Infrastructure Activities				
Facility Acquisition	\$	\$	\$	\$ 0.00
Land Acquisition	\$	\$	\$	\$ 0.00
Utilities (Electric, Gas, Water, etc.)	\$	\$	\$	\$ 0.00
Project Proceeds	\$	\$	\$	\$ 0.00
Deposit to Refunding Fund	\$2,250,000.00	\$	\$	\$2,250,000.00
Cost of Issuance (Excluding NMFA processing fee)	\$42,500	\$	\$	\$42,500.00
Other	\$	\$	\$	\$ 0.00
Total Cost:	\$2,292,500.00	\$ 0.00	\$ 0.00	\$2,292,500.00

*Specify any other public funds, and amounts and terms of these funds, i.e. FmHA, CDBG, EPA, etc.

Source	Amount	Terms / # of Years
Prior Debt Service Reserve Fund	\$	

	275	
	\$	
	\$	
Total:	\$ 0.00	

Attach a letter verifying that each non-NMFA funding source has been approved, or is in the process of being approved for this project. Explain any exceptions.

C. Will this project require right-of-way acquisition? Yes No

If yes, specify any right-of-way needs, and whether acquisition may or may not delay beginning of project.

D. Who will hold title to the land where the project is to be located? City of Las Cruces

If this is land owned by the Bureau of Land Management, State Land Office, or Tribal Land, please attach lease agreements. (If there is no clear title, attach an explanation of ownership arrangements.)

E. Does this project require a Joint Powers Agreement (JPA)? Yes No

If yes, provide a copy of (attach) the JPA, which should include a list of the current membership

III. FINANCING

A. 1. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).

- Municipal Local Option GRT – please specify: _____
- County Option GRT – please specify: _____
- Other Tax-Based Revenue: _____
- State-Shared GRT
- Law Enforcement Funds
- Fire Protection Funds
- Net System Revenues: _____
- Other Revenue: _____

2. Is there an alternative revenue source available to pledge to pay debt service in the event that the primary pledged revenue is unavailable or insufficient? Yes No If yes, specify:

3. Preferred financing term: Final maturity in 2018

B. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes No

The City has seven outstanding debt obligations which are secured by the City's SSGRT revenue, which include the Series 2003 (the proposed bonds to be refunded), Series 2005 Bonds, 2009 NMFA Loan, 2010 Bonds, 2011 Bonds, 2011 Fire Equipment NMFA Loan and the 2011 Gas Tax Refunding NMFA Loan.

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan. (Please see attached)

IV. READINESS TO PROCEED ITEMS

A. The following items must accompany this application in order for this application to be considered complete:

- Equipment cost breakdown (if applicable)
- Three most recently completed fiscal year audit reports
- Current unaudited financials
- Current fiscal year budget
- Verification of ownership of land where project will be located
- Documentation that each non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- Joint Powers Agreement (if applicable)

B. In addition, complete the following information, using additional paper as necessary. These items will be required prior to disbursement of NMFA proceeds:

- Provide a detailed drawdown schedule for project payments
 - Final technical information for the project, stamped and approved by a registered engineer
 - Cost breakdown of the project, certifiable by either an engineer or architect
 - Area map, site map, and floor map (if applicable)
 - Verification of ownership of land where project will be located
 - Documentation that each Non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
 - Documentation showing status of right-of-way acquisition (if applicable)
 - Explanation of land ownership arrangements (if applicable)
 - List all required permits and licenses necessary to complete this project. Detail the status of each item, a plan of action, and time frame for completing incomplete permits and licenses. Also provide a copy of all permits and licenses.
 - Is there litigation pending which would have a bearing on this project or applicant? Yes No
- If yes, provide a complete summary of all circumstances relating to such litigation.

- Indicate the regular meeting dates for your authorizing body: _____

V. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.

We will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:

Title:

(highest elected official)

Jurisdiction:

Print Name:

Date:

Signature:

Date:

Finance Officer/Director:

FYE 6/30	Series 2003				Series 2005 (City Hall & Cycling)				NMFA Loan 2009				Series 2010 - Convention Center Refunding			
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total
2012	860,000	4.00%	121,110	981,110	1,420,000	4.00%	1,165,643	2,585,643	500,000	4.50%	206,250	706,250	550,000	2.50%	1,036,894	1,586,894
2013	690,000	3.75%	86,710	776,710	1,030,000	4.25%	1,108,843	2,138,843	500,000	5.00%	183,750	683,750	565,000	2.50%	1,023,144	1,588,144
2014	280,000	3.80%	60,835	340,835	1,270,000	5.00%	1,065,068	2,335,068	500,000	4.25%	158,750	658,750	580,000	3.00%	1,009,019	1,589,019
2015	290,000	3.90%	50,195	340,195	3,165,000	5.00%	1,001,568	4,166,568	500,000	4.50%	137,500	637,500	595,000	3.00%	991,619	1,586,619
2016	300,000	4.00%	38,885	338,885	2,100,000	4.00%	843,318	2,943,318	500,000	5.00%	115,000	615,000	615,000	2.75%	973,769	1,588,769
2017	315,000	4.15%	26,885	341,885	605,000	4.00%	759,318	1,364,318	500,000	5.00%	90,000	590,000	630,000	3.00%	956,856	1,586,856
2018	325,000	4.25%	13,813	338,813	635,000	4.10%	735,118	1,370,118	500,000	5.00%	65,000	565,000	650,000	3.50%	937,956	1,587,956
2019					660,000	4.13%	709,083	1,369,083	250,000	5.00%	40,000	290,000	675,000	4.00%	915,206	1,590,206
2020					685,000	4.20%	681,858	1,366,858	250,000	5.50%	27,500	277,500	700,000	4.00%	888,206	1,588,206
2021					715,000	4.25%	653,088	1,368,088	250,000	5.50%	13,750	263,750	730,000	5.00%	860,206	1,590,206
2022					745,000	4.25%	622,700	1,367,700					765,000	5.00%	823,706	1,588,706
2023					780,000	4.25%	591,038	1,371,038					800,000	5.00%	785,456	1,585,456
2024					815,000	4.25%	557,888	1,372,888					840,000	5.00%	745,456	1,585,456
2025					850,000	4.25%	523,250	1,373,250					885,000	3.13%	703,456	1,588,456
2026					890,000	4.25%	487,125	1,377,125					910,000	5.00%	675,800	1,585,800
2027					925,000	4.38%	449,300	1,374,300					960,000	5.00%	630,300	1,590,300
2028					965,000	4.38%	408,831	1,373,831					1,005,000	5.00%	582,300	1,587,300
2029					1,010,000	4.38%	366,613	1,376,613					1,055,000	5.00%	532,050	1,587,050
2030					1,060,000	4.50%	322,425	1,382,425					1,110,000	5.00%	479,300	1,589,300
2031					1,110,000	4.50%	274,725	1,384,725					1,165,000		423,800	1,588,800
2032					1,165,000	4.50%	224,775	1,389,775					1,215,000		370,950	1,585,950
2033					1,220,000	4.50%	172,350	1,392,350					1,270,000		315,850	1,585,850
2034					1,275,000	4.50%	117,450	1,392,450					1,330,000		258,250	1,588,250
2035					1,335,000	4.50%	60,075	1,395,075					1,390,000		197,950	1,587,950
2036													1,455,000		134,900	1,589,900
2037													1,520,000		68,900	1,588,900
2038																
Total	\$3,060,000		\$398,433	\$3,458,433	\$26,430,000		\$13,901,444	\$40,331,444	\$4,250,000		\$1,037,500	\$5,287,500	\$23,965,000		\$17,321,300	\$41,286,300

FYE 6/30	Series 2011A				Series 2011 (Fire Equipment NMFA Loan)				Series 2011 (Gas Tax Ref. NMFA Loan)				Total
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	
2012	55,000	3.00%	295,097	350,097	67,138	0.23%	5,254	72,392	410,000	0.27%	9,338	419,338	6,701,724
2013	685,000	3.00%	331,375	1,016,375	125,387	0.35%	9,646	135,033	405,000	0.41%	13,703	418,703	6,757,557
2014	970,000	3.00%	310,825	1,280,825	125,825	0.50%	9,207	135,032	405,000	0.68%	12,042	417,042	6,756,571
2015	205,000	3.00%	281,725	486,725	126,454	0.81%	8,578	135,032	410,000	0.99%	9,288	419,288	7,771,927
2016	860,000	3.00%	275,575	1,135,575	127,479	1.06%	7,554	135,033	415,000	1.26%	5,229	420,229	7,176,808
2017	885,000	3.00%	249,775	1,134,775	128,830	1.32%	6,203	135,033					5,152,866
2018	910,000	3.00%	223,225	1,133,225	130,531	1.59%	4,502	135,033					5,130,144
2019	940,000	4.00%	195,925	1,135,925	132,606	1.83%	2,427	135,033					4,520,246
2020	975,000	4.00%	158,325	1,133,325									4,365,889
2021	1,015,000	4.00%	119,325	1,134,325									4,356,369
2022	1,040,000	4.00%	78,725	1,118,725									4,075,131
2023	1,100,000	3.38%	37,125	1,137,125									4,093,619
2024													2,958,344
2025													2,961,706
2026													2,962,925
2027													2,964,600
2028													2,961,131
2029													2,963,663
2030													2,971,725
2031													2,973,525
2032													2,975,725
2033													2,978,200
2034													2,980,700
2035													2,983,025
2036													1,589,900
2037													1,588,900
2038													
Total	\$9,640,000		\$2,557,022	\$12,197,022	\$964,250		\$53,372	\$1,017,622	\$2,045,000		\$49,600	\$2,094,600	\$105,672,920